

# **Exhibit 2**

## THE MOUNTAIN GRAND LODGE & SPA RENTAL MANAGEMENT AGREEMENT

Agreement (the "Agreement") made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between Boyne USA, Inc., a Michigan corporation, whose address is P.O. Box 19, Boyne Falls, Michigan, 49713 (referred to herein as "Agent") and "Owner" whose name and address are set forth at the end of this Agreement.

Whereas Owner wishes to employ Agent for the purpose of renting, managing and operating Unit \_\_\_\_\_ (the "Unit") of The Mountain Grand Lodge & Spa Condominium (the "Hotel") situated in Boyne Valley Township, Charlevoix County, Michigan; and,

Whereas the Hotel will be operated as a first class hotel.

In consideration of the benefits flowing to both parties, it is hereby agreed as follows:

1. **Management Services.** Owner employs Agent as its Agent for the purpose of renting, managing and operating the Unit. Agent accepts this agency and agrees to use its best efforts in the rental, management and operation of the Unit. This is an exclusive rental agreement. Owner may not lease the Unit, directly or indirectly, except in accordance with the provisions of this Agreement, and except in accordance with the provisions of the Master Deed and Bylaws of the Condominium.

2. **Term.** This Agreement shall become effective on the date set forth above and shall remain in effect until terminated as provided for herein. Owner agrees to honor any reservations made prior to the effective date of this Agreement. Either party may terminate this Agreement at any time upon giving thirty (30) days notice in writing to the other party. In the event of termination by the Owner, Owner agrees to honor any reservations made prior to the date of termination.

3. **Use by Owner.** Owner has the right to make advance reservations for the use of the Unit by Owner or Owner's family members and friends, provided that these reservations have been accepted and confirmed by Agent. Agent shall have the right to book the Unit on any other date. Agent is not obligated to make Owner's Unit available to the Owner when the Unit has already been reserved for a guest. Owner agrees to honor any reservations made for the Unit prior to Owner's purchase of the Unit.

Owner agrees not to enter the Unit and not to permit any other persons, including family members, friends, repairman, or guests, to enter the Unit without prior notification to, approval of, and coordination through Agent's office. Owner agrees to register at Agent's front desk before entering the Unit and upon check-out and agrees to have family members, friends and all other persons register prior to entering, and upon leaving, the Unit.

4. **Maid Service.** Maid service equivalent to that provided to other guests in this community will be provided to guests who occupy the Unit. When the Unit is Owner occupied, daily maid service will be available to Owner upon request, depending on staff availability. When the Unit is Owner occupied, a cleanup service will be provided at the end of Owner's use. An appropriate charge will be made for any daily maid service requested by Owner and for the end cleanup, which charges shall be paid by the Owner at check out or charged to the Owner's account.

5. **Allocation of Guests.** Rental of the Owner's Unit shall be based upon the requirements of specific guests requesting rental space from Agent. Owner acknowledges and recognizes that Agent manages a number of Units in this and other communities and hotels on a basis similar to that contemplated by this Agreement. Agent agrees that it shall attempt to allocate potential guests among all of the Units it is managing in the following manner:

- (a) Based on a potential guest's expressed preference as to a particular Unit.
- (b) Based on a potential guest's expressed preference as to general location or type of Unit.

- (c) Based upon a reasonably fair rotational system taking into account the frequencies of rental of a particular Unit and its availability for use from time to time.
- (d) Such other factors as Agent shall reasonably determine from time to time. While Agent shall not discriminate against any particular Unit or Owner in allocating rentals, Agent shall nevertheless be afforded reasonable discretion in making such allocations and Agent shall not be subjected to the application of any strict mechanical tests in administering this section of the Agreement.

**6. Rental Rates.** Agent, in its sole discretion, shall charge a fair, reasonable and competitive rent for the Unit. The Agent shall be entitled, without notice to or approval from the Owner, to set rents for the Unit and for all of the other participating Units and to revise and deviate from such rental schedule at any time and from time to time as Agent may in its discretion determine, including rents which are a portion of a guest package. Owner agrees to participate in any guest incentive programs adopted by Agent, including the BoyneRewards Program.

**7. Condition of Units and FF&E.** In order to participate in Agent's rental management program, Owner's Unit and all furniture, fixtures and equipment ("FF&E") in the Unit (including furniture, beds, headboards, TV sets, mirrors, pictures and wall decorations (Case Goods FF&E) and all wall and floor coverings, window treatments, carpeting, bedspreads, lamp shades and upholstery (Soft Goods FF&E) and all other unspecified items of a similar nature) must be in a suitable condition for occupancy, in compliance with the high-quality standards of a first class hotel, and in compliance with the specifications adopted by Agent from time to time. Case Goods FF&E shall be replaced at least every 10 to 12 years. Soft Goods FF&E shall be replaced at least every 5 to 6 years. However, earlier or more frequent renovations or replacements may be required to maintain the high quality standards of the Hotel. Agent shall inspect the Unit from time to time in order to determine the condition of the Unit and whether any repairs, replacements, or other actions may be required with respect to the interior of the Unit and its FF&E and shall perform such maintenance, repair and replacement work as shall be necessary, in the sole discretion of the Agent, to keep the Unit and its FF&E suitable for occupancy. When a Unit enters the Agent's rental management program after having not been in the program, Owner shall be responsible for the cost of bringing the Unit and its FF&E to a suitable condition for occupancy. Subject to Agent's approval, Owner may also request the repair and/or replacement of the FF&E and to the condition of the Unit.

**8. Pooled Reserve Fund for Unit Maintenance.** In order to participate in the rental management program, the Owner shall be required to pay into a pooled reserve fund from which the costs of maintenance of all Units and the repair and/or replacement of the FF&E in all Units within the rental program for this Hotel will be paid. When a Unit enters the rental management program after having not been in the program, the Agent may require that the Owner pay such amount into the fund as necessary to insure that adequate funds will be available to make the Unit and its FF&E suitable in a timely manner. The reserve fund shall be funded by a percentage of the gross rental receipts of all Units, which percentage shall be set at the discretion of the Agent from time to time at the level necessary to meet the required condition of Units and FF&E described in Section 8 above, but in no event less than the following percentage of the gross rental receipts realized from the rental of all of the Units in the Hotel per annum: (Year 1: 1%, Year 2: 2%, Years 3-5: 3%, Years 6-10: 4%, and 5% after the Hotel has been in existence for over ten years).

Agent shall, at all times, be authorized to pay from the reserve fund any amounts necessary to maintain the Units and the FF&E in the condition described in Section 8 above. To the extent that any funds in the reserve are insufficient to pay such expenses, Agent shall be entitled to increase the percentage and deduct such funds from gross rental receipts as may be necessary to maintain the minimum reserve level established by Agent from time to time.

All contributions to the reserve fund made by the various Owners in the rental management program of this Hotel shall be pooled in a single account which shall be accounted for separately from the reserve funds for the other projects. The account shall be interest bearing, and interest earned shall be added to the reserve fund. The Agent may commingle the reserve funds from the various projects into a single checking account (the "Boyne Rental Reserve Account") registered in Agent's name and held solely for the reserve fund purposes described herein. Agent shall have no obligation whatsoever to maintain Owner's contributions to the reserve fund on a segregated basis or to account to Owner for charges to the reserve fund relating

specifically to Owner's Unit. At such time as Owner shall dispose of his Unit by sale or any other method of transfer, or at such time as Owner withdraws from the rental management program, Owner shall have no claim to any funds in the reserve account.

**9. Damage to Unit.** The Agent is responsible to inspect the Unit after each rental and to note any damage that may have occurred. The Owner is ultimately responsible for any damage to the Unit and its contents, including damage, theft, or other action by any person occupying the Unit. The Owner is also responsible for normal wear and tear on the Unit and its contents. The Agent shall make a good faith effort to identify and first collect the cost of repair for damage from the responsible guest or third person or, if applicable, from an insurance policy, but Agent can give no guarantee thereof and shall not be obligated to pay any sums whatsoever for such losses. Owner shall be responsible for any cost of repair or replacement above any funds which are collected from a third person or paid on any policy of insurance maintained by the Association or the Owner, including any deductible amount, and above any funds paid out of the reserve fund for normal maintenance. Owner may, at Owner's expense, maintain additional insurance coverage necessary to meet this responsibility.

Agent is authorized to cause any emergency repairs to be made as Agent, in its sole discretion, deems necessary to preserve and protect the Owner's Unit and its contents from damage. Agent shall investigate with reasonable promptness and make a full written report as to all accidents or claims for damage or destruction to the Unit or its contents and shall cooperate with and make any and all loss or incident reports required by any insurance company. Agent makes no representations that it is capable of providing major repairs in all circumstances.

Owner and Agent release each other from liability for damages or claims resulting from the negligence of either of their respective Agents, employees or licensees resulting from the breach of this Agreement. In so far as such losses or claims are paid by insurance carriers, no right of subrogation shall rise in favor of such carriers against the Owner or Agent.

**10. Liability Coverage.** The Association maintains liability insurance coverage for the General Common Elements and common areas of the Condominium. During the term of this Agreement Owner agrees to maintain liability insurance coverage against all losses or damages arising out of Owner's ownership and use of the Unit. Any liability coverage maintained by the Association or by the Agent shall not relieve the Owner of its primary responsibility to maintain this insurance coverage.

Owner agrees to indemnify and hold Agent harmless from all losses, expenses or damages of any nature whatsoever in connection with the management of the Unit and from liability for injury to any person or property on, about or in connection with the premises from any cause whatever, unless such costs, expenses, damages or liabilities be caused by Agent's own gross negligence or willful misconduct. Agent shall not be liable to the Owner or to any other person for any error in judgment or for doing or omitting to do any matter or thing pursuant to the terms of this Agreement, except in cases of willful misconduct or gross negligence.

Agent agrees to indemnify and hold Owner harmless from all losses, expenses or damages of any nature whatsoever in connection with the management of the Unit caused by Agent's own or its agents', employees' or contractors' gross negligence or willful misconduct.

**11. Collection of Rental Receipts.** Agent is expressly authorized to deposit rental receipts from Owner's Unit with receipts collected from other Units managed by Agent in Agent's general corporate account. Agent agrees to keep full accounting records on all transactions affecting Owner's Unit. Owner, at any reasonable time upon reasonable notice and during regular business hours, may examine the accounting records relating to the Unit.

**12. Management Fee.** In consideration for Agent's rental management services on behalf of Owner, Owner agrees to pay to Agent a management fee equal to 50% of gross rental receipts (after the payment of hotel or resort taxes, resort fees, group tour and convention facility fees, incentive program costs, franchise-related fees and costs or any other such costs).

**13. Statements to Owner.** Agent will provide Owner with quarterly statements showing total receipts less fees and expenses provided for by this Agreement including payments into the reserve fund, together with a check for the net revenue. Such statement and/or check will be mailed from Agent's office on or about the 15th of the month for the period ended the last day of the preceding month. In the event expenses for such periods exceed the revenues, Owner agrees to pay promptly such expenses upon billing by Agent.

**14. Telephone.** Basic telephone service must be provided in each room or set of rooms that is capable of being rented separately throughout the term of this Agreement. In those communities where deluxe phone service is available, deluxe phone service must be provided instead. All such telephones will be on the Boyne USA PBX Exchange (except for those communities which have a third party service provider), and monthly service fees will be charged to the Owner as part of the Association assessment. Any charges for local, credit card and toll free calls (all currently free to Owners), direct long distance calls, information, operated assisted and other types of calls will, in the case of Owners, be set forth on the periodic statements to the Owner, and, in the case of other guests, will be collected at the time of check out on the same basis as such charges are made at other Boyne USA resorts.

**15. Furnishings.** Although all FF&E in the Unit is the property of Owner, Owner agrees that Owner will not remove or modify any of the FF&E in the Unit. Owner also agrees not to introduce any other, non-standard furnishings, interior décor items or contents into the Unit without the prior written authorization of Agent. Even with authorization, Owner shall be responsible for loss of, or damage to, any such non-standard items. Owner may, at Owner's expense, obtain insurance coverage against damage to, or loss of, any such non-standard items.

**16. Owner to Pay Other Expenses.** Owner agrees to pay all other pertinent expenses on the Unit including, without limitation, all property taxes and all regular and special assessments levied by the Association. Owner shall also provide at least basic and expanded basic cable TV service (currently charged to the Owner as part of the Association assessment). Owner may, at Owner's option and expense, also maintain rental interruption or loss of rent insurance coverage.

**17. Hiring of Agents and Employees.** Agent shall hire, supervise, and discharge all labor and employees required to perform its services under this Agreement. All such labor and employees shall be those of Agent and not Owner. Agent may perform any of its services hereunder directly or by assignment through such agents, contractors, and subcontractors as it may deem proper. Notwithstanding its right to assign its responsibilities hereunder, Agent shall retain complete and unfettered control over the premises and shall be responsible for the actions of all persons and employees operating hereunder, as such premises and actions relate to the Michigan Liquor Control Act, Public Act 8, 1933, as amended, the administrative rules promulgated there under, being MCL 436.1, et seq, as well as all violations there under.

**18. Rules and Regulations.** Agent is authorized to impose reasonable rules and regulations governing the use of Owner's Unit, including rules regarding pets and smoking (although Owner has the right to prohibit pets and smoking in Owner's Unit). The purpose of such rules and regulations is to enable Agent to effectively manage Owner's Unit and other Units located in the Hotel for transient guests. Owner agrees to abide by the same and shall instruct any family member, friend or other person using the Unit through the Owner that such rules are in full force and effect and must be obeyed by all persons. Agent also reserves the right to limit the number of people using a Unit to the maximum number intended for that type and size of Unit.

**19. Marketing and Complimentary Use.** Agent may place promotional materials in the Units, maintain a house channel within the cable TV programming and perform such other marketing as Agent deems necessary to promote the rental of the Units and to promote the Boyne USA Resorts as a whole. In order to enable the Agent to effectively market the Unit for rental purposes, it is necessary, from time to time, that the Agent grant complimentary use thereof to a person or persons who will not pay any usage charge therefore. Agent shall be entitled to utilize the Unit up to two nights annually for such purpose, in its sole discretion, but Agent shall make every effort to equalize such complimentary use among all of the Units in Agent's rental management program. Agent shall maintain precise records of any such usage of all Units in Agent's rental management program and shall pay any cleaning or other similar expenses associated therewith.

**20. Assignment and Effect.** This Agreement may not be assigned by Owner unless such assignment has first been approved in writing by Agent. This Agreement shall be binding upon the successors and assigns of the parties. This Agreement may not be modified except by a written document signed by an authorized representative of each party. No independent party or realtor has any authority to modify the terms of this Agreement or make representations on behalf of Agent. Any notices or statements required by this Agreement shall be sent to one of the addresses set forth herein, or to such address as the parties later direct.

Executed on the dates set forth below.

AGENT: Boyne USA, Inc., a  
Michigan corporation

OWNER:

By: \_\_\_\_\_  
Its:

\_\_\_\_\_

Dated:

\_\_\_\_\_

\_\_\_\_\_  
Name(s) printed

\_\_\_\_\_  
Street

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Home Phone

\_\_\_\_\_  
Business Phone

\_\_\_\_\_  
e-mail address

Dated: